Open Banking is Dead…

… Long-Live Open Data!

Uttiyo Dasgupta, Head of Digital Strategy, HSBC UK

Retail Banking Innovation EU 2019 Conference

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Early use cases of Open Banking at HSBC Group
Welcome to a new relationship with your money

See your accounts from different banks together in one place

Discover where your money really goes

No more fingers-crossed finance with Balance After Bills
Aggregation & Market Place

Get a breakdown of your monthly spending and set targets to help you budget better

A secure way to see all your bank accounts in one place

Find out if you could do more with your money in our marketplace

first direct
arthra
A Credit Use Case
Would you lend £20k to someone earning £32k pa..?

◆ RW is 27, single
◆ We need to know more..
Would you lend £20k to someone earning £32k pa..? 

◆ If you had access to his current account transactions, you could understand RW in a bit more detail. 

◆ Open Banking allows us to do just that. RW can download his transactional data from his Lloyds bank account, securely
Would you lend £20k to someone earning £32k pa..?

◆ These transactions were categorised and returned to our underwriting team. This helps them assessing affordability.

◆ Hang on a second.. Where are all his outgoings? Has there been a mistake?
Would you lend £20k to someone earning £32k pa..?

◆ No! He is living with parents! His biggest expense is his gym membership 😊
◆ Looks like RW can afford the loan after all..
RW’s loan is approved & he receives the offer letter
RW returns the Loan Agreement

<table>
<thead>
<tr>
<th>1. Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditor: HSBC Bank plc</td>
</tr>
<tr>
<td>Address: NSC Evening Online Team, Banking Operations Centre, Henry Watkin Road, Ilkeston, Derbyshire, D3 2SH</td>
</tr>
<tr>
<td>Telephone number(s): 03457494404</td>
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<table>
<thead>
<tr>
<th>2. Key features of the credit product</th>
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<tbody>
<tr>
<td>The type of credit: Fixed sum loan</td>
</tr>
<tr>
<td>The total amount of credit: £20,000.00</td>
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<tr>
<td>How and when credit would be provided: We will pay the loan into the current account you gave in your application. This will usually be no more than 5 working days after the start date or the specific date you asked for.</td>
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<tr>
<td>The duration of the credit agreement: 96 months</td>
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<tr>
<td>Repayments: Your first repayment will be £281.37. You will then pay 95 monthly repayments of £226.64.</td>
</tr>
<tr>
<td>The total amount you will have to pay: £25,713.17</td>
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</tbody>
</table>
Drawdown of funds to purchase RW’s dream car
11 monthly repayments have been received
Our key learnings
Partnerships

• Large organisations need to **streamline their onboarding** of new Fintech's and partners to leverage their domain knowledge and speed.
• C.60% of customers offered have consented to sharing their data.
• Customers need to understand the value exchange
A pragmatic approach to governance needs to be taken to allow MVP and proof of concepts to be tested quickly – ‘fail fast’, change mind-sets & policies
• Testing **real-time Categorisation** as a Service and its advantages to Underwriters is just the start
Consent, proper consent

Partnerships

Categorisation

Customer trust

Value Exchange
What about Open Data?
CUSTOMER DATA PLATFORM

- Banks & Building Societies
- Wealth & Insurance Companies
- Aggregators
- Mortgage & Insurance Brokers
- Utilities
- Credit Bureaux
- Social Media
- Open Banking Transaction Data
- Government agencies
- Property websites
- Payment provider
- Health

PUBLIC

- Government agencies
- Property websites
- Credit Bureaux
- Social Media
- Open Banking Transaction Data
- Government agencies
- Property websites
- Payment provider
- Health

PRIVATE

- SMALL BUSINESSES
- LARGE CORPORATES

PRIVATE

- Banking
- Wealth & Insurance
- Aggregators
- Mortgage

PRIVATE

- Utilities
- Credit Bureaux
- Social Media
- Open Banking
- Government
- Property
- Payment
- Health
Don’t message or nudge me, do it for me

Switchd

• Sign Up Once
• 21,000+ tariffs checked daily
• Automatic switches
• You save, we keep checking.
We are not alone
We aren’t the only ones.....

Powered by Clydesdale Bank & Yorkshire Bank

New Day

Inspire the Next

moneybox
Thank you
Any questions?